AN INTRODUCTION TO THE

Agricultural Business Development Center

- Supports planning, growth, and transition for farms
- Connects businesses to grants, loans, and technical assistance
- Includes program support for new farmers, cooperatives, and value-added development

pennsylvania
DEPARTMENT OF AGRICULTURE

Where farms and farmers stand

Pennsylvania
Department of Agriculture

- Number of PA farms down 17% (2012–2022) vs. 10% nationally.
- PA farm acreage declined 8%, double the national rate.
- Lead the nation in the % of farmers under age 35.
- 60% of PA farmers are age 60+. Average age = 62.
- In the U.S., 74% of farms generate < $50,000 in annual sales.

AGRICULTURAL BUSINESS DEVELOPMENT CENTER

The Agricultural Business Development Center (ABDC) is focused on providing support for sound business planning, efficient transitions of farm ownership and offers resources/grants/programs for farmers across the commonwealth.

- Beginning Farmer Tax Credit
- Beginning Farmer Reality
- Transfer Tax Exemption
- Next Generation Farmer Loan Program
- Beginning Farmer Support
- Planning Services
- Farmland Preservation
- Clean & Green
- Farm Vitality Grant
- Farm Transition Services
- Connect growers with resources surrounding risk management & risk mitigation
- Support sustainable business structures and practices
- Risk Management
- Financial Assistance
- Various grants & programs available to farmers
- Access to leading industry partners in economic & business development

Have you thought about launching a new farming business or recently inherited a farm? If you're a new or aspiring farmer, explore our resource library, which offers a diverse range of topics, including finances, technical assistance, and online courses.

LEARN MORE

Pennsylvania Department of Agriculture
AG BUSINESS DEVELOPMENT CENTER

agriculture.pa.gov/agbiz

ABDC PARTNERS

PA Farm Link

Keystone Development Center

PA Small Business Development Center

Team PA Foundation

Penn State Law - Center for Agriculture and Shale Law

Organic Certification Cost Share

PA Aquaculture Council

“So You Want To Be a Farmer” Exhibit at PA Farm Show

PA Veteran Farming Network

PA PREFERRED®

PA Preferred® is providing farmers and agribusinesses with a brand identity for the products they grow, harvest, and make, creating opportunities for people to easily identify and support Pennsylvania farmers.

Check for the Check

The PA Preferred logo means you can trust that 75 percent or more of the product or the ingredients used to make the product were grown or harvested right here in Pennsylvania.

www.papreferred.com

Farm Vitality Grant

The Farm Vitality Planning Grant Program helps fund professional services. The grant will cover the costs of business planning, efficient transitions of ownership, strategic expansion, diversification of agricultural production, and building a team of financial and technical expertise as a resource for farmers.

GRANT DETAILS:

- **Grant covers $7,500, covering 75% of project costs**
- **This is a reimbursement grant**
- **In-kind support will not count as part of the applicant's contribution**

DEADLINE: APPLICATIONS ARE ACCEPTED YEAR-ROUND!

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SCAN BELOW TO LEARN MORE OR CLICK HERE

For questions about the program, please contact
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Urban Cities in Pennsylvania and the Percentage of Land in Farms by County

Pennsylvania Department of Agriculture
AG BUSINESS DEVELOPMENT CENTER

PA Farm Transfer Survey

- Average age of farmers is 60+
- Only 50.5% have identified a successor – typically a family member
- Fewer than 1/3 give the successor full decision-making authority currently
- Almost 25% have NOT discussed their plans with beneficiaries
- Subdivision of farmland is a growing issue ~ 25% plan to divide land among heirs, potentially compromising agricultural viability
- Over 40% expect to NEVER RETIRE from farm work due to financial necessity or lack of successors

DCED & PDA
Lending Programs

Pennsylvania Industrial Development Authority

Purpose

- PIDA established in 1956 and is a Component Unit of the Commonwealth.
- Loan program administered in partnership with a network of approximately 50 non-profit economic development organizations known as CEDOs.

Eligibility

- Agricultural Producers – Eligible for real estate and/or equipment loans for up to 50% of eligible costs with the maximum loan amount being $400,000. No full-time jobs required to be pledged.
- Agricultural Processors – Eligible for loans for up to 50% of eligible costs with the maximum loan amount being $2,000,000 for real estate and $400,000 for equipment. One full-time job must be pledged to be retained and/or created for every $75,000 loan.

Funding

- Loan Terms – Up to 15 years for real estate loans and Up to 10 years for equipment loans.
- Interest Rate – Based on 10 Year Treasury Rate and set quarterly. Typically, 2-3% below market rates.
- Company must also meet PIDA's underwriting and collateral requirements.
- Final approval subject to approval by PIDA Board, which meets the first Wednesday of every month.

Next Generation Farmer Loan

Purpose

- The Next Generation Farmer Loan Program is a tax-free mortgage financing program to help beginning and first-time farmers purchase land, farm equipment, and farm buildings – Tax exemption reduces borrower's interest rate for capital purchases

Eligibility

- A borrower must meet their lender's credit criteria; DCED and PDA do not dictate the criteria

Funding

RISE PA - PennTAP

- Maximum loan amount for 20265 is $682,000; Used equipment may not exceed $62,500
- Use of Funds: 1. Purchase agricultural land in PA that is suitable for farming and will be operated as a farm - No Next Generation Farmer Loan Funds can be used to finance a residence; 2. Agricultural Improvements and Depreciable Agricultural Property - this includes any improvements, buildings, structures, fixtures or property suitable for use in farming. They must be located on the farm, be purchased in conjunction with the land, or be used in operation of the farm
- Conditions: Borrower must be sole owner and principal user - may Purchase farmland from a Related Person but purchase price must be at least equal to the fair market value of the farm; Borrower can not have had prior direct or indirect ownership of a substantial amount of land unless the individual did not participate in the operation of the farm; The seller of the farm can not have any continued financial interest or have other direct or indirect ownership of the farm

ABDC's Mission

Pennsylvania
Department of Agriculture

Strengthening Pennsylvania's agriculture economy through business development, innovation, and technical assistance

Helping producers plan for profitability, sustainability, and resilience

Supporting farms of all sizes – from new entrants to established operations

ABDC is focused on support for sound business planning, efficient transitions of farm ownership, and offers resources/grants/programs for farmers across the commonwealth.

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THANK YOU!

SCAN ME

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